

PROGRAM OPPORTUNITY NOTICE (PON)

**COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF ENERGY RESOURCES**

PLUG IN HYBRID VEHICLE DEMONSTRATION PROGRAM

Date Issued: December 15 , 2008

Application Deadline: 4 PM, February 13, 2009

Commonwealth of Massachusetts Department of Energy Resources
Plug-In Electric Vehicle Commuter Program

Background

The Massachusetts Department of Energy Resources (DOER) and the Massachusetts Clean Cities Coalition has long been at the forefront of efforts to diversify the types of motor fuels used in the Commonwealth and to reduce greenhouse gas emissions from the transportation sector. DOER led the largest electric vehicle demonstration in the country, has received numerous grants from the US Department of Energy to demonstrate CNG vehicles, is exploring the opportunities for growing cellulose feed stocks in the northeast, and was instrumental in the siting of a large E-85 station at Boston's Logan International Airport. In keeping with our efforts to lessen the dependence on petroleum-based products as a motor fuel and reduce greenhouse gas emissions, DOER is introducing this opportunity for private sector businesses to participate in the next phase of "green transportation" -- hybrid vehicles that utilize plug-in technology.

Plug-in hybrid vehicles ("PHV's") are several years away from being available at a local auto dealer's showroom. Unlike today's hybrid vehicles, which primarily depend on a gasoline or diesel engine for propulsion, plug-in vehicles extend the all-electric range to approximately twenty miles, making it possible for average commuters to use no gasoline or diesel fuel during their daily commute when the vehicle is recharged at the workplace and at home.

Demonstrating these next generation vehicles in the northeast will assist in their commercialization by making them more accepted when they reach the showroom. As a result of this demonstration program, questions about range, maintenance, cold weather operation and ease of charging will have been answered. Additionally, information gathered will be of value to auto and battery manufacturers.

DOER intends to select several Massachusetts based companies to act as program partners. These partner companies will develop an internal transportation program to utilize these vehicles under the terms of this program.

Program Outline

DOER will fund up to 50% of the total cost of selected light duty plug-in hybrid passenger vehicles, with a maximum of \$20,000 per vehicle. A light duty hybrid vehicle will have a GVWR of 10,000 pound or less. A total of \$400,000 is available. Selected companies or organizations (Grantees) will be responsible for procuring the vehicles within a time limit set by DOER, registering the vehicles in the Commonwealth of Massachusetts, providing insurance, and inspections. Program length is 36 months from vehicle delivery date. All vehicle procurement transactions shall be between the vehicle supplier and program participant.

Fuel Utilization

It is the intent of the program to maximize the use of the vehicle's battery system to minimize the use of petroleum. When selecting drivers, consideration should be given to those drivers able to plug-in to multiple locations during the normal course of daily vehicle use. Grantees will be encouraged to develop "recognition programs" for drivers who obtain the highest miles-per-gallon ratios.

Funding

DOER will provide funding for 50% of the total vehicle acquisition costs (with a maximum of \$20,000 per vehicle) and the balance will be provided by the Grantee. Acquisition costs include sales tax and an extended warranty for the vehicle and battery system. These vehicles are intended for use as replacement vehicles for fleet vehicles and are to be used in the normal course of business as a fleet passenger vehicle. The vehicles may also be used as employee commuter vehicles and may be used for personal use as part of this demonstration program. The Grantee will be required to execute a Standard State Contract with the Commonwealth of Massachusetts to receive funding. The contract will establish terms and conditions and detail how and when payment will be made. Payments will be made directly to the Grantee.

Vehicle Acquisition and Disposal

The Grantee will acquire the PHV through its normal fleet vehicle acquisition process. These vehicles may be purchased or leased as per the Grantee's standard practice. DOER reserves the right to mandate the vehicle type and manufacturer, source of the plug-in battery system, and installation. At the conclusion of the program the Grantee will dispose of the vehicle using normally accepted practices; the Commonwealth will hold no financial or ownership interest in the vehicles. In addition, it is the responsibility of the Grantee to ensure that warranties are in place to cover the vehicle and the battery system for the duration of this program.

Vehicle Management

The Grantee will be responsible to manage these vehicles in a formal fleet program, and ensure the vehicles are fully utilized, maintained, assigned to qualified drivers, registered in the Commonwealth, and provided with full insurance coverage. The Commonwealth will not provide any support for the maintenance or repairs of the vehicles in this program.

Vehicle Repairs and Maintenance

Vehicle repairs and maintenance are the responsibility of the Grantee. The Grantee will make every effort to ensure that the vehicles and battery systems are covered by a bumper to bumper warranty for the duration of 36 months.

Program Administration

The Grantee will manage the demonstration program and will insure that vehicles are utilized, maintained, and stored in a secure location when not assigned to drivers. In addition, the Grantee will maintain files tracking current and past drivers, vehicle maintenance, registration, and maintenance of insurance coverage.

Driver Selection

Drivers should be selected based on a reasonable expectation that they will have a minimum annual mileage of 10,000 miles or more. Drivers should be qualified as having a valid Massachusetts driver license and acceptable driving records in accordance with standard Grantee company policy; annual mileage minimum may be a combination of personal and business use. Consideration should be given to commuting routes that are convenient to the location of maintenance facilities qualified to maintain the plug-in battery system, the driver's ability to provide a secure location to store the vehicle when not in use, and other requirements as may be determined by the Grantee.

Program Reporting

The Grantee will provide quarterly reports for the program period to DOER electronically in a format agreed to by both the Grantee and DOER.

How to Apply

Application packages are available through the Massachusetts Department of Energy Resources. The package includes ranking criteria. The Application deadline is February 13, 2009. DOER reserves the right to limit the number of awardees and vehicle model in each geographical part of the state. All interested parties planning to submit an application must notify DOER by e-mail no later than February 2, 2009 at: david.rand@state.ma.us. Any questions related to this PON must be submitted in writing via Email to david.rand@state.ma.us. Answers and the Application package are posted on DOER's website at www.mass.gov/doer. Completed applications must be submitted in writing. To obtain additional information contact:

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